

SUMMARY OF BUSINESS OPPORTUNITY

Nature of Business and Services Provided

This Business Opportunity is for the operation of the 31-seat “Beanery” in the historic Kelso Train Depot within Mojave National Preserve. These visitor services will be authorized through a Concession Contract issued by the National Park Service under the National Park Service Concession Management Improvement Act of 1998, 16 USC §5951 *et seq.* (“1998 Concession Act”) and its implementing regulations, 36 CFR Part 51, copies of which are in the appendices to this prospectus. A draft of the Concession Contract, CC-MOJA001-07 (“Draft Contract”) is included in part IV of this prospectus.

Certain types of visitor services must be provided under the Draft Contract (and are referred to as “Required”); other types of visitor services may be provided at the option of the Concessioner (and are referred to as “Authorized”). The Required and Authorized visitor services in the Draft Contract include:

REQUIRED SERVICES	
Food and Beverage Service	Services may include, but are not necessarily limited to, hot foods, deli sandwiches, “historic” related menu items, hot and cold non-alcoholic beverages, ice-cream, and other desserts.
AUTHORIZED SERVICES	
To-Go Service	Including packaged lunches, snacks and beverages.
Limited Merchandise Sales	Sale of a limited amount of merchandise, such as bottled water, mugs, coffee tumblers, t-shirts, film, cameras and other items that embody the historic Kelso Train Depot Beanery as long as sales do not impede or interfere with the Required services.
Additional Menu Options through Outdoor Grilling	Expanded menu options by grilling outdoors.

Operating facilities and location

Facilities include the Beanery which is a 31-seat, U-shaped lunch counter prominently situated on the east side of the first floor of the historic Kelso Train Depot facility. A food preparation room approximately 15’ x 17’ in size is located directly behind the counter. The Concessioner will also be assigned a 9’ x 12’ office on the second floor for general office and/or storage purposes and an area outside of the Beanery that includes picnic tables for use by Beanery customers as well as other visitors to the Preserve. In addition, within the first year of operation the Preserve will provide one trailer pad that will accommodate a 30-35’ RV for employee housing. These facilities are described in detail in Exhibit C to the Draft Contract and collectively are referred to as the “Concession Facilities.”

Preferred Offeror Determination

This is a new concession opportunity; therefore the Director has determined that there is no “preferred operator” who is eligible to exercise a right of preference to the award of the Draft Contract in accordance with of 36 CFR §51.36.



Government Owned Facilities

The historic Kelso Train Depot facility, where the Beanery is located, is owned by the government. The concession facilities will be assigned to the Concessioner during the term of the Draft Contract and are illustrated in Exhibit C. The Concessioner will be required to maintain the concession facilities to Service standards as expressed in Section 9 of the Draft Contract and Draft Contract Exhibit E: Maintenance Plan attached. No capital improvements are allowed under the Draft Contract.

Estimate of Initial Investment

This is a new concession opportunity. The National Park Service estimates the following amount of personal property investment and initial working capital will be required:

ASSET	#	COST EACH	TOTAL
Cash Register	1	\$2,500	\$2,500
Tableware	31	\$200	\$6,200
Operating Supplies	1	\$3,400	\$3,400
Working Capital			\$36,250
Total			\$48,350

Annual Gross Receipts and Park Visitation

There are no historic gross receipts for the Beanery as it has not been operated since 1985. Below are the projected gross receipts for the required services.

	Projected				
	Year 1	Year 2	Year 3	Year 4	Year 5
Food and Beverage	2007	2008	2009	2010	2011
Number of Seats	31	31	31	31	31
Estimated Food Covers	17,609	21,131	24,652	28,174	31,696
Estimated Average Check	\$7.18	\$7.35	\$7.54	\$7.73	\$7.92
Total Food and Beverage Sales	\$126,433	\$155,313	\$185,876	\$217,785	\$251,032



The following charts show the Preserve's recent visitation, based on traffic counters, and visitation to Kelso Depot, based on Visitor Center counts.

Year/Month	2001	2002	2003	2004	2005	2006
Jan	40,291	49,013	50,364	53,887	39,756	38,638
Feb	37,358	44,266	40,874	47,268	41,227	42,886
Mar	43,150	44,150	49,519	45,662	45,662	39,466
Apr	50,086	56,256	65,592	37,788	36,931	45,943
May	54,046	43,102	69,086	38,510	48,494	49,298
Jun	36,371	38,525	76,582	44,299	50,880	133,212
Jul	31,575	35,184	28,690	40,723	36,794	16,495
Aug	36,835	41,758	29,863	41,256	65,244	37,966
Sept	33,277	35,827	46,349	42,802	67,548	46,867
Oct	38,266	42,730	50,873	41,110	54,521	56,354
Nov	51,457	56,902	60,156	67,397	55,000	57,574
Dec	40,033	43,925	47,321	45,610	39,319	44,983
Totals	492,745	531,638	615,269	546,312	581,376	609,682

Contract Term

The Draft Contract is for a term of ten (10) years.

Franchise Fee

The minimum annual franchise fee for the Draft Contract will be equal to three percent (3.0%) of the Concessioner's total annual gross receipts for the preceding year or portion of a year. However, Offerors may propose a higher minimum franchise fee in accordance with the terms of the prospectus.

NOTE: This summary is provided as a ready reference of key points for interested parties. It does not modify the prospectus. The Business Opportunity is described in more detail in the prospectus.

